



General Assembly

February Session, 2020

Raised Bill No. 5425

LCO No. 1882



Referred to Committee on BANKING

Introduced by:

(BA)

AN ACT CONCERNING MORTGAGE FORBEARANCE FOR OWNERS OF HOMES WITH CRUMBLING FOUNDATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2020*) (a) As used in this section:

2 (1) "Connecticut bank" and "Connecticut credit union" have the same
3 meanings as provided in section 36a-2 of the general statutes;

4 (2) "Dwelling" has the same meaning as provided in section 36a-485
5 of the general statutes;

6 (3) "Mortgagor" means any person to whom a residential mortgage
7 loan has been issued and who resides in the dwelling upon which such
8 residential mortgage loan is subject; and

9 (4) "Residential mortgage loan" has the same meaning as provided in
10 section 36a-485 of the general statutes.

11 (b) Each residential mortgage loan issued by a Connecticut bank or
12 Connecticut credit union on or after October 1, 2020, shall include a
13 provision that authorizes forbearance, for a period not to exceed one

14 hundred twenty days, to any mortgagor who provides documentation
15 from the chief building inspector of the town attesting that such
16 mortgagor's dwelling requires repairs because it contains a concrete
17 foundation that has deteriorated in whole or in part due to the presence
18 of pyrrhotite.

19 (c) Nothing in this section shall be construed as limiting any financial
20 institution from providing mortgage forbearance to any mortgagor in
21 the state who has been issued a mortgage prior to October 1, 2020, and
22 whose dwelling requires repairs because it contains a concrete
23 foundation that has deteriorated in whole or in part due to the presence
24 of pyrrhotite.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2020</i>	New section

Statement of Purpose:

To require certain residential mortgages to include a provision that permits mortgage forbearance if the home requires repairs related to the presence of pyrrhotite in the foundation.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]